

**STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT**

TO: First City Bancorp Mortgage, Inc.
Yousef Atabakhsh, also known as Joe Atab

1190 South Bascom Avenue, Suite 211
San Jose, California 95128

5141 Sobey Road
Saratoga, California 95070

**DESIST AND REFRAIN ORDER
(For violations of section 25401 of the Corporations Code)**

The Commissioner of Business Oversight (Commissioner) finds that:

1. At all relevant times, First City Bancorp Mortgage, Inc. (First City) was a suspended California corporation with its last known address at 1190 South Bascom Avenue, Suite 211, San Jose, California 95128. First City was a Department of Real Estate (DRE) licensed corporation from May 31, 2007 to May 30, 2019. First City also held a mortgage loan originator license endorsement, Nationwide Multistate Licensing System & Registry (NMLS) ID# 366829, from May 2004 to present.

2. At all relevant times, Yousef Atabakhsh, also known as Joe Atab (Atab) was the chief financial officer, agent for service of process, secretary, and chief executive officer of First City with his last known address at 1190 South Bascom Avenue, Suite 211, San Jose, California 95128. He also used the address 5141 Sobey Road, Saratoga, California 95070. Atab was a licensed DRE broker from April 6, 2001 to October 10, 2021. Atab also held a mortgage loan originator license endorsement NMLS ID# 335266, from May 2004 to present.

3. Beginning in 2017, First City and Atab offered securities in California in the form of promissory notes – investment contracts, in First City to at least six California residents. First City and Atab offered investors these securities for the purported purpose of raising funds for First City:

1 a. Investor A – 90-day promissory note dated November 27, 2017 in the amount of
2 \$20,000. First City and Atab guaranteed 15% interest to investor A and promised to pay the entire
3 investment principal and profit on or before February 27, 2018. They also promised investor A an
4 extra \$50 wire transfer fee;

5 b. Investor B – 90-day promissory note dated December 1, 2017 in the amount of
6 \$20,000. First City and Atab guaranteed 15% interest to investor B and promised to pay the entire
7 investment principal and profit on or before March 1, 2018. They also promised investor B an extra
8 \$50 wire transfer fee;

9 c. Investor C – 90-day promissory note dated December 5, 2017 in the amount of
10 \$15,000. First City and Atab guaranteed 15% interest to investor C and promised to pay the entire
11 investment principal and profit on or before March 5, 2018;

12 d. Investor D – 120-day promissory note dated December 23, 2017 in the amount of
13 \$23,000. First City and Atab guaranteed 17% interest to investor D and promised to pay the entire
14 investment principal and profit on or before April 23, 2018;

15 e. Investor E – Promissory note dated February 5, 2018 in the amount of \$20,000.
16 First City and Atab guaranteed 10% interest to investor E for the first 35 days with the opportunity to
17 roll over their investment for 12% interest for 60 days thereafter, 15% interest for 90 days after that,
18 and 17% for 120 days after that. First City and Atab promised to pay the entire investment principal
19 and profit on or before December 7, 2018; and

20 f. Investor F – 80-day promissory note dated February 10, 2018 in the amount of
21 \$27,612. First City and Atab guaranteed 18% interest to investor F and promised to pay the entire
22 investment principal and profit on or before April 23, 2018. They also promised investor F was an
23 extra \$30 wire transfer fee.

24 4. In connection with the offer or sale of these securities in this state, First City and Atab
25 made the following omission of a material fact and/or failed to disclose that:

26 a. On November 7, 2007, the DRE issued a Desist and Refrain Order against First City
27 and Atab for knowingly advertising or causing to be advertised statements or representations about
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1 rates, terms or conditions which were false or deceptive. (Bus. & Prof. Code, §§ 10159.5, 10235,
2 10140.6, 10235.5, 17539.4, and 10236.4; Cal. Code Regs. §§ 2731, 2770.1, 2848, and 2847.3).

3 5. In connection with the offer or sale of these securities in this state, First City and Atab
4 made the following untrue statements of material facts:

5 a. Investors were guaranteed their entire principal investment and profit at the end of the
6 investment period. At least six California investors requested their principal investment and profit
7 from First City and Atab on numerous occasions in 2018. To date, First City and Atab have returned
8 no money to any investor.

9 b. First City and Atab told California investors that the investment was “100% secure”
10 and that investor’s money would be pooled to ensure high returns and security.

11 Based on the foregoing, the Commissioner of Business Oversight is of the opinion that the
12 securities in the form of promissory notes in First City were offered in this state by First City
13 Bancorp Mortgage, Inc. and Yousef Atabakhsh, also known as Joe Atab by means of a written or oral
14 communication which included an untrue statement of material fact or omitted to state a material fact
15 necessary to make the statement made, in light of the circumstances under which they were made, not
16 misleading, in violation of Corporations Code section 25401.

17 Pursuant to Corporations Code section 25532, First City Bancorp Mortgage, Inc. and Yousef
18 Atabakhsh, also known as Joe Atab are hereby ordered to desist and refrain from offering or selling
19 or buying or offering to buy any security in California, including but not limited to promissory notes,
20 by means of any written or oral communication which includes an untrue statement of material fact
21 or omits to state a material fact necessary in order to make the statements made, in light of
22 circumstances under which they were made, not misleading.

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1 This Order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

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4 Dated: March 18, 2019
5 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner
10 Enforcement Division
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